

**REDACTED – FOR PUBLIC INSPECTION**

**VIA ECFS**

June 26, 2015

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

RE: **REQUEST FOR CONFIDENTIAL TREATMENT**  
**WC Docket No. 14-58 - ETC Annual Reports and Certifications**

Request that Information Submitted to the Commission be Withheld from Public Inspection Pursuant to 47 C.F.R. §0.459 and 5 U.S.C. §552(b)(4): Five-Year Service Quality Improvement Plan Progress Report included in FCC Form 481

Confidential Financial Information – Subject to Protective Order in WC Docket Nos. 10-90, 07-135, 05-337, 03-109, 14-58, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208, Before the Federal Communications Commission

Dear Ms. Dortch:

In accordance with the annual reporting requirements of 47 C.F.R. §§54.313 and 54.422, Panhandle Telephone Cooperative, Inc. (“PTCI” or “the Cooperative”), Study Area Code 432016, is submitting a completed FCC Form 481 to the Commission via its Electronic Comment Filing System (ECFS) in WC Docket No. 14-58. The Cooperative, by its authorized representative, hereby requests confidential treatment of two attachments to its FCC Form 481: (1) the five-year service quality improvement plan progress report and (2) the financial annual report, both of which were redacted in the ECFS submission. The request for confidential treatment of the five-year plan progress report is being made pursuant to Section 0.459 of the Commission’s rules and Exemption 4 of the Freedom of Information Act (FOIA). The request for confidential treatment of the

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financial annual report is being made pursuant to the FCC's June 17, 2015 *Protective Order* in WC Docket No. 10-90 *et al.* These attachments contain competitively sensitive data that PTCI maintains as confidential and does not normally make available to the public. Release of this information would have a substantial negative impact on the Cooperative.

**Five-Year Service Quality Improvement Plan Progress Report**

Pursuant to Section 0.459 of the Commission's rules and Exemption 4 of FOIA, PTCI requests that the text and data extracted from its five-year service quality improvement plan progress report be withheld from public inspection because it contains competitively sensitive commercial and financial information that the Cooperative keeps confidential. Public availability of this information would have a substantial negative impact on the Cooperative.

In accordance with Section 0.459 of the Commission's rules, the following information is provided in support of this request:

(1) Identification of the specific information for which confidential treatment is sought:

Attachment to Line 112 of FCC Form 481 – Five-Year Service Quality Improvement Plan Progress Report. Specifically, confidential treatment is sought for all information in the five-year plan progress report related to the Cooperative's access line counts, existing broadband capabilities, and current and planned financial investments in its network that will improve service quality, service coverage, and/or service capacity for its customers.

(2) Identification of the Commission proceeding in which the information was submitted or a description of the circumstances giving rise to the submission:

The information was submitted in WC Docket No. 14-58 as an attachment to FCC Form 481- the Carrier Annual Reporting Data Collection Form. Section 100 of FCC Form 481 requires incumbent local exchange carriers receiving high cost support to attach a progress report on its five-year service quality improvement plan, pursuant to 47 C.F.R. §54.313(a)(1).

(3) Explanation of the degree to which the information is commercial or financial, or contains a trade secret or is privileged:

The five-year service quality improvement plan progress report contains granular information on the Cooperative's access line counts and/or existing broadband capabilities as well as recent and planned capital investments in its network to

improve service quality, service coverage, and/or service capacity. It also contains a map of the Cooperative's service area detailing progress toward meeting broadband deployment targets at the wire center level. This is closely guarded, privileged information that the Cooperative does not make publicly available.

- (4) Explanation of the degree to which the information concerns a service that is subject to competition:

Broadband is subject to increasing competition in the areas served by rural, rate-of-return incumbent local exchange carriers (RLECs). Virtually all RLECs face competition from one or more wireless Internet service providers. Most RLECs also face competition from at least one other wireline broadband provider, such as a larger cable company, who will typically seek to "cherry pick" the lower cost portions of the study area. In addition, all RLECs face competition throughout their territories from satellite broadband providers.

- (5) Explanation of how disclosure of the information could result in substantial competitive harm:

Disclosure of the information contained in the five-year plan progress report would provide competitors with detailed, granular information regarding the Cooperative's access line count, its existing broadband capabilities, and its recent and planned network investments that improve service quality, coverage, and/or capacity for subscribers. This would give competitors invaluable confidential information with which to develop their own strategies for investing in the service area, thereby bringing substantial competitive harm to the Cooperative.

- (6) Identification of any measures taken by the submitting party to prevent unauthorized disclosure:

The Cooperative has continually treated the extracted information in its five-year plan progress report as confidential and carefully controls the information to protect it from competitors. Access to the information is limited to employees that require it and to non-employees with confidentiality obligations such as lenders, consultants, auditors, and attorneys. In addition, when such information is required to be submitted to a state regulatory authority it has been filed as confidential information, not available to the public.

## MOSS ADAMS<sub>LLP</sub>

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- (7) Identification of whether the information is available to the public and the extent of any previous disclosure of the information to third parties:

The redacted information in the five-year plan progress report is not available to the public, and third-party access is limited as described in (6) above.

- (8) Justification of the period during which the submitting party asserts that material should not be available for public disclosure:

The Cooperative requests that the extracted information be withheld from public inspection indefinitely. The information in the five-year plan progress report details the Cooperative's most recent network upgrades in relation to its previously submitted service quality improvement plan. It may also contain upcoming planned network improvements during the five-year period ending 2019. This information would provide a very useful baseline for competitors for several years beyond that period.

- (9) Any other information that the party seeking confidential information treatment believes may be useful in assessing whether its request for confidentiality should be granted:

Exemption 4 of FOIA shields from public disclosure commercial or financial information obtained from a person that is privileged or confidential. Based on the responses provided above, the information in question satisfies this test.

### **Financial Annual Report**

Section 3005 of FCC Form 481 requires a privately-held rate-of-return carrier receiving high cost support to attach a full and complete annual report of the company's financial condition and operations pursuant to 47 C.F.R. §54.313(f)(2). PTCI seeks confidential treatment of its financial annual report pursuant to the June 17, 2015 *Protective Order* in WC Docket No. 10-90, *et al.*<sup>1</sup> The *Protective Order* specifically covers information filed pursuant to 47 C.F.R. §54.313(f)(2).

PTCI is providing to the Office of the Secretary, under seal, this cover letter and the Form 481 filing which includes the confidential information that is being requested to be withheld from public inspection.

Each page of the five-year service quality improvement plan progress report confidential submission bears the legend, "CONFIDENTIAL – NOT FOR PUBLIC DISCLOSURE."

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<sup>1</sup> *Connect America Fund et al.*, WC Docket No. 10-90 *et al.*, Protective Order, DA 15-712 (rel. Jun. 17, 2015).

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Each page of the financial annual report confidential submission bears the legend, "CONFIDENTIAL FINANCIAL INFORMATION – SUBJECT TO PROTECTIVE ORDER IN WC DOCKET NOS. 10-90, 07-135, 05-337, 03-109, 14-58, CC DOCKET NOS. 01-92, 96-45, GN DOCKET NO. 09-51, WT DOCKET NO. 10-208, BEFORE THE FEDERAL COMMUNICATIONS COMMISSION."

Two copies of the Form 481 filing in redacted form and an accompanying cover letter are also being provided with the confidential filing. Each page of the redacted filing and accompanying cover letter is marked "REDACTED – FOR PUBLIC INSPECTION."

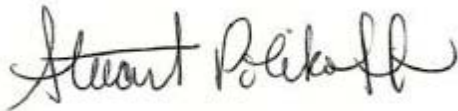
Two copies of this cover letter and the Form 481 filing with the confidential information are also being delivered to Mr. Charles Tyler, Telecommunications Access Policy Division, Wireline Competition Bureau.

The confidential information has also been submitted to the Universal Service Administrative Company through its E-File system as attachments to the FCC Form 481.

This cover letter includes no confidential information and the text is the same in both the non-redacted and redacted versions except for the confidentiality markings.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Stuart Polikoff". The signature is fluid and cursive, with the first name "Stuart" and last name "Polikoff" clearly distinguishable.

Stuart Polikoff  
Authorized Representative for  
Panhandle Telephone Cooperative, Inc.

SP/pjf

Enclosures

cc: Mr. Charles Tyler, Telecommunications Access Policy Division, Wireline Competition Bureau, Federal Communications Commission, (2 hardcopies of non-redacted submission)

Ms. Kelley Wells, Panhandle Telephone Cooperative, Inc.

**FCC Form 481 - Carrier Annual Reporting  
Data Collection Form**

 FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
 July 2013

<010> Study Area Code	432016
<015> Study Area Name	PANHANDLE TEL. COOP. INC.
<020> Program Year	2016
<030> Contact Name: Person USAC should contact with questions about this data	Kelley Wells
<035> Contact Telephone Number: Number of the person identified in data line <030>	5804682179 ext.
<039> Contact Email Address: Email of the person identified in data line <030>	kelley.wells@ptci.net

ANNUAL REPORTING FOR ALL CARRIERS		54.313 Completion Required	54.422 Completion Required
		(check box when complete)	
<100> Service Quality Improvement Reporting	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<200> Outage Reporting (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210> <input checked="" type="checkbox"/> <-- check box if no outages to report		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<300> Unfulfilled Service Requests (voice)	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<310> Detail on Attempts (voice)	<div style="border: 1px solid black; height: 40px; width: 100%;"></div> (attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<320> Unfulfilled Service Requests (broadband)	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<330> Detail on Attempts (broadband)	<div style="border: 1px solid black; height: 40px; width: 100%;"></div> (attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<400> Number of Complaints per 1,000 customers (voice)			
<410> Fixed	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<420> Mobile	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<430> Number of Complaints per 1,000 customers (broadband)		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<440> Fixed	0.0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<450> Mobile	0.0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<500> Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510> <div style="border: 1px solid black; padding: 2px;">432016ok510.pdf</div>	(attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600> Functionality in Emergency Situations	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610> <div style="border: 1px solid black; padding: 2px;">432016ok610.pdf</div>	(attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700> Company Price Offerings (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<710> Company Price Offerings (broadband)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<800> Operating Companies and Affiliates	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)? <input checked="" type="radio"/> <input type="radio"/>	(if yes, complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1000> Voice Services Rate Comparability Certification	Yes <input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1010> <div style="border: 1px solid black; padding: 2px;">432016ok1010.pdf</div>	(attach descriptive document)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1100> Certify whether terrestrial backhaul options exist (Yes or No) <input checked="" type="radio"/> <input type="radio"/>	(if not, check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1110>	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>
<1200> Terms and Condition for Lifeline Customers	(complete attached worksheet)	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet**

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000>	(check to indicate certification)	<input type="checkbox"/>	<input type="checkbox"/>
<2005>	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>

**Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet**

<3000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<3005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**(100) Service Quality Improvement Reporting  
Data Collection Form**

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	432016
<015>	Study Area Name	PANHANDLE TEL. COOP. INC.
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Kelley Wells
<035>	Contact Telephone Number - Number of person identified in data line <030>	5804682179 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	kelley.wells@ptci.net
<110>	Has your company received its ETC certification from the FCC? If your answer to Line <110> is yes, do you have an existing "5 year plan" filed with the FCC?	<input checked="" type="radio"/> (yes / no) <input type="radio"/> <input type="radio"/> (yes / no) <input type="radio"/>
<111>		

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

432016ok112.pdf

Name of Attached Document

Please select the appropriate responses below (Yes, No, Not Applicable) to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to §54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

<113>	Maps detailing progress towards meeting plan targets	Yes
<114>	Report how much universal service (USF) support was received	Yes
<115>	How much (USF) was used to improve service quality and how support was used to improve service quality	Yes
<116>	How much (USF) was used to improve service coverage and how support was used to improve service coverage	Yes
<117>	How much (USF) was used to improve service capacity and how support was used to improve service capacity	Yes
<118>	Provide an explanation of network improvement targets not met in the prior calendar year.	Not Applicable









[illegible]

(900) Tribal Lands Reporting  
Data Collection Form

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	432016
<015>	Study Area Name	PANHANDLE TEL. COOP. INC.
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Kelley Wells
<035>	Contact Telephone Number - Number of person identified in data line <030>	5804682179 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	kelley.wells@ptci.net

<910>	Tribal Land(s) on which ETC Serves	<div>The service area of Panhandle Telephone Cooperative, Inc. ("the Cooperative") includes "former reservations" in Oklahoma. The Cooperative has not been able to clearly identify the tribes associated with the former tribal land served.</div>
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<920>	Tribal Government Engagement Obligation	<div>432016ok920.pdf</div>	Name of Attached Document
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If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select Yes or No or Not Applicable
Not Applicable
Not Applicable
Not Applicable
Not Applicable
Not Applicable
Not Applicable
Not Applicable
Not Applicable

<b>(1100) No Terrestrial Backhaul Reporting</b>		FCC Form 481	
<b>Data Collection Form</b>		OMB Control No. 3060-0986/OMB Control No. 3060-0819	
		July 2013	

<010>	Study Area Code	432016
<015>	Study Area Name	PANHANDLE TEL. COOP. INC.
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	
<035>	Contact Telephone Number - Number of person identified in data line <030>	Kelley Wells 5804682179 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	kelley.wells@ptci.net

<1120> Please confirm whether terrestrial backhaul options exist within the supported area pursuant to § 54.313(g) (Yes, No).

<1130> Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).

<b>(1200) Terms and Condition for Lifeline Customers</b>		FCC Form 481
<b>Lifeline</b>		OMB Control No. 3060-0986/OMB Control No. 3060-0819
<b>Data Collection Form</b>		July 2013

<010>	Study Area Code	432016
<015>	Study Area Name	PANHANDLE TEL. COOP. INC.
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Kelley Wells
<035>	Contact Telephone Number - Number of person identified in data line <030>	5804682179 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	kelley.wells@ptci.net

<1210>	Terms & Conditions of Voice Telephony Lifeline Plans	<div>432016ok1210.pdf</div>	Name of Attached Document
<1220>	Link to Public Website	HTTP	

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

<1221>	Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers,	<input checked="" type="checkbox"/>
<1222>	Details on the number of minutes provided as part of the plan,	<input checked="" type="checkbox"/>
<1223>	Additional charges for toll calls, and rates for each such plan.	<input checked="" type="checkbox"/>

<b>(2000) Price Cap Carrier Additional Documentation</b> <b>Data Collection Form</b> <i>Including Rate-of Return Carriers affiliated with Price Cap Local Exchange Carriers</i>		FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
<010>	Study Area Code	432016
<015>	Study Area Name	PANHANDLE TEL. COOP. INC.
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Kelley Wells
<035>	Contact Telephone Number - Number of person identified in data line <030>	560462179 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	kelley.wells@ptci.net

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

<2010>	<b>Incremental Connect America Phase I reporting</b>	
<2010>	2nd Year Certification {47 CFR § 54.313(b)(1)i}	
<2011a>	3rd Year Certification {47 CFR § 54.313(b)(1)ii}	
<2011b>	Attachment {47 CFR § 54.313(b)(1)iii}	
<2012>	<b>Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}</b>	
<2013>	2013 Frozen Support Calculation {47 CFR § 54.313(c)(1)}	
<2014>	2014 Frozen Support Calculation {47 CFR § 54.313(c)(2)}	
<2015>	2015 Frozen Support Calculation {47 CFR § 54.313(c)(3)}	
<2016>	2016 and future Frozen Support Calculation {47 CFR § 54.313(c)(4)}	
<2017>	<b>Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}</b>	
<2018>	Certification Support Used to Build Broadband	
<2019>	<b>Connect America Phase II Reporting {47 CFR § 54.313(e)}</b>	
<2020>	3rd year Broadband Service Certification	
<2021>	5th year Broadband Service Certification	
<2022>	Interim Progress Certification	
<2023>	Please check the box to confirm that the attached document(s), on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.	
<2024>	Interim Progress Community Anchor Institutions	

(3000) Rate Of Return Carrier Additional Documentation

Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	432016
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<039>	Contact Email Address - Email Address of person identified in data line <030>	kelley.wells@ptci.net

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3010)

Progress Report on 5 Year Plan

Milestone Certification (47 CFR § 54.313(f)(1)(i))

432016ok3010.pdf

Name of Attached Document Listing Required Information

(3011)

Please check this box to confirm that the attached document(s), on line 3012 contains the required information pursuant to § 54.313 (f)(1)(ii), the carrier shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

☒

(3012)

Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii))

432016ok3012.pdf

Name of Attached Document Listing Required Information

(3013)

Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))

☒

(3014)

If yes, does your company file the RUS annual report

☒

Please check these boxes to confirm that the attached document(s), on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

(3015)

Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)

☒

(3016)

Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

☒

(3017)

If the response is yes on line 3014, attach your company's RUS annual report and all required documentation

432016ok3017.pdf

Name of Attached Document Listing Required Information

(3018)

If the response is no on line 3014, Is your company audited?

☒

If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains

(3019)

Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications

☐

(3020)

Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

☐

(3021)

Management letter and audit opinion issued by the independent certified public accountant that performed the company's financial audit

☐

If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

(3022)

Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications

☐

(3023)

Underlying information subjected to a review by an independent certified public accountant

☐

(3024)

Underlying information subjected to an officer certification.

☐

(3025)

Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

☐

(3026)

Attach the worksheet listing required information

Name of Attached Document Listing Required Information



(3000) Rate Of Return Carrier Additional Documentation (Continued)

Data Collection Form

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	432016
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<035>	Contact Telephone Number - Number of person identified in data line <030>	5804682179 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	kelly.wells@ptci.net



Financial Data Summary

- (3027) Revenue
- (3028) Operating Expenses
- (3029) Net Income
- (3030) Telephone Plant In Service(TPIS)
- (3031) Total Assets
- (3032) Total Debt
- (3033) Total Equity
- (3034) Dividends

**Certification - Reporting Carrier  
Data Collection Form**

 FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
 July 2013

<010>	Study Area Code	432016
<015>	Study Area Name	PANHANDLE TEL. COOP. INC.
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<035>	Contact Telephone Number - Number of person identified in data line <030>	5804682179 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	kelley.wells@ptci.net

**TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:**

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer: ext.	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

<b>Certification - Agent / Carrier Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	432016
<015> Study Area Name	PANHANDLE TEL. COOP. INC.
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Kelley Wells
<035> Contact Telephone Number - Number of person identified in data line <030>	5804682179 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	kelley.wells@ptci.net

**TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:**

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) <u>Stuart Polikoff</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent:	<u>Stuart Polikoff</u>
Name of Reporting Carrier:	<u>PANHANDLE TEL. COOP. INC.</u>
Signature of Authorized Officer:	<u>CERTIFIED ONLINE</u> Date: <u>06/24/2015</u>
Printed name of Authorized Officer:	<u>Shawn Hanson</u>
Title or position of Authorized Officer:	<u>CEO</u>
Telephone number of Authorized Officer:	<u>5804682180 ext.</u>
Study Area Code of Reporting Carrier:	<u>432016</u> Filing Due Date for this form: <u>07/01/2015</u>
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

**TO BE COMPLETED BY THE AUTHORIZED AGENT:**

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier:	<u>PANHANDLE TEL. COOP. INC.</u>
Name of Authorized Agent or Employee of Agent:	<u>Stuart Polikoff</u>
Signature of Authorized Agent or Employee of Agent:	<u>CERTIFIED ONLINE</u> Date: <u>06/24/2015</u>
Printed name of Authorized Agent or Employee of Agent:	<u>Stuart Polikoff</u>
Title or position of Authorized Agent or Employee of Agent:	<u>Telecommunications Consulting Director</u>
Telephone number of Authorized Agent or Employee of Agent:	<u>5126527730 ext.</u>
Study Area Code of Reporting Carrier:	<u>432016</u> Filing Due Date for this form: <u>07/01/2015</u>
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

## Attachments



(710) Broadband Price Offerings  
Data Collection Form

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010> Study Area Code  
432016

<015> Study Area Name  
PANHANDLE TEL. COOP. INC.

<020> Program Year  
2016

<030> Contact Name - Person USAC should contact regarding this data  
Kelley Wells


<035> Contact Telephone Number - Number of person identified in data line <030>  
5804682179 ext.

<039> Contact Email Address - Email Address of person identified in data line <030>  
kelley.wells@ptci.net


<711>	<a1>	<a2>	<b1>	<b2>	<c>	<d1>	<d2>	<d3>	<d4>
	State	Exchange (ILEC)	Residential Rate	State Regulated Fees	Total Rates and Fees	Broadband Service - Download Speed (Mbps)	Broadband Service - Upload Speed (Mbps)	Usage Allowance (GB)	Usage Allowance Action Taken When Limit Reached (select)
	OK	ALL	54.99	0.0	54.99	6.0	1.0	999999	Other, No limit on usage allowance.
	TX	Guymon	54.99	0.0	54.99	6.0	1.0	999999	Other, No limit on usage allowance.
	TX	Hardesty	54.99	0.0	54.99	6.0	1.0	999999	Other, No limit on usage allowance.
	TX	Texhoma	54.99	0.0	54.99	6.0	1.0	999999	Other, No limit on usage allowance.
	OK	ALL	59.99	0.0	59.99	12.0	1.0	999999	Other, No limit on usage allowance.
	TX	Guymon	59.99	0.0	59.99	12.0	1.0	999999	Other, No limit on usage allowance.
	TX	Hardesty	59.99	0.0	59.99	12.0	1.0	999999	Other, No limit on usage allowance.
	TX	Texhoma	59.99	0.0	59.99	12.0	1.0	999999	Other, No limit on usage allowance.
	OK	ALL	64.99	0.0	64.99	20.0	3.0	999999	Other, No limit on usage allowance.
	TX	Guymon	64.99	0.0	64.99	20.0	3.0	999999	Other, No limit on usage allowance.
	TX	Hardesty	64.99	0.0	64.99	20.0	3.0	999999	Other, No limit on usage allowance.
	TX	Texhoma	64.99	0.0	64.99	20.0	3.0	999999	Other, No limit on usage allowance.
	OK	ALL	79.99	0.0	79.99	30.0	5.0	999999	Other, No limit on usage allowance.
	TX	Guymon	79.99	0.0	79.99	30.0	5.0	999999	Other, No limit on usage allowance.
	TX	Hardesty	79.99	0.0	79.99	30.0	5.0	999999	Other, No limit on usage allowance.
	TX	Texhoma	79.99	0.0	79.99	30.0	5.0	999999	Other, No limit on usage allowance.
	OK	ALL	99.99	0.0	99.99	50.0	5.0	999999	Other, No limit on usage allowance.
	TX	Guymon	99.99	0.0	99.99	50.0	5.0	999999	Other, No limit on usage allowance.
	TX	Hardesty	99.99	0.0	99.99	50.0	5.0	999999	Other, No limit on usage allowance.
	TX	Texhoma	99.99	0.0	99.99	50.0	5.0	999999	Other, No limit on usage allowance.



**LINE 112 – FIVE-YEAR SERVICE QUALITY IMPROVEMENT PLAN  
PROGRESS REPORT**



The Cooperative received \$3,258,102 in Universal Service Fund (“USF”) support during the period January through April 2015. It projects that it will receive \$1,638,576 in USF support during the period May-June 2015. The Cooperative therefore projects that its total USF support for the first half of 2015 (Jan.-Jun.) will be \$4,896,678.





**Exchange Map Showing Current Broadband Capabilities**

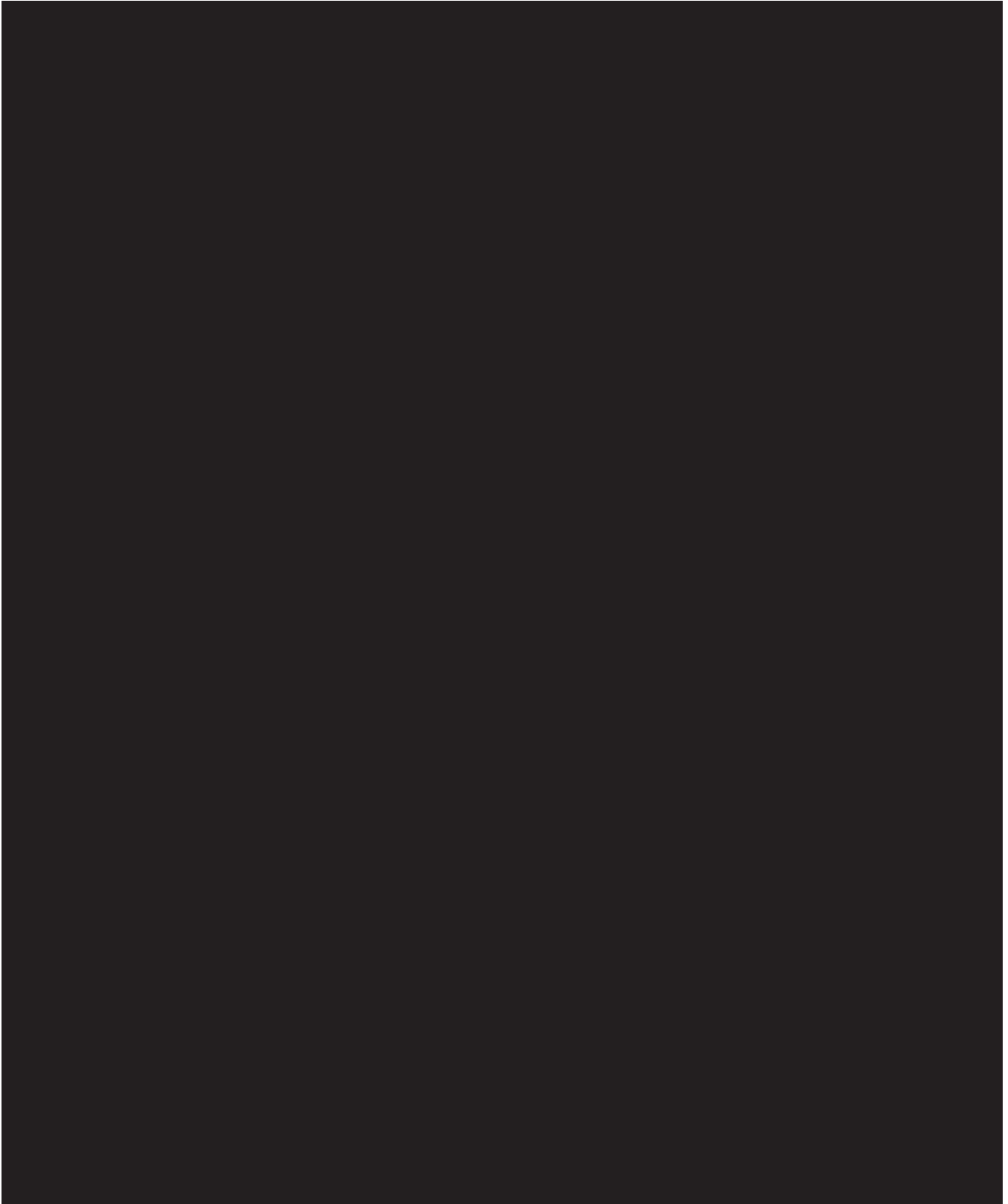


## Service Quality Improvement Plan Progress Report

The table below shows PTCI's network investments at the exchange level during the first half of 2015, compared with its original 2015 investment plans that were indicated in its five-year service quality improvement plan. PTCI will continue to invest annually in its network throughout years 2015-2019. The specific areas will be determined on an annual basis.

Exchange	Description of Improvement	2015 Original Budget	2015 Jan-Jun	Estimated Population Served by Improvements
GRAND TOTAL				

**Narrative Description: Mid-Year 2015**





## **LINE 510 - SERVICE QUALITY STANDARDS AND CONSUMER PROTECTION RULES COMPLIANCE**

Panhandle Telephone Cooperative, Inc. ("the Cooperative") complies with applicable service quality standards and consumer protection rules for its voice and broadband services.

The rates, terms, and conditions under which the Cooperative operates are outlined in its member services tariff, which is approved the Oklahoma Corporation Commission ("OCC"). The tariff contains provisions regarding the Cooperative's customer service and protection practices.

Service quality standards for voice service are established by the OCC. The Cooperative consistently meets or exceeds those standards and provides reports to the OCC, in accordance with the OCC's rules.

With regard to broadband service, the Cooperative provisions its network and equipment to ensure that its customers can enjoy the speeds to which they subscribe. However, Internet speeds generally result from a "best effort" service and are dependent upon a number of variables, many of which are outside the control of the Cooperative.

The Cooperative complies with any and all consumer protection obligations under state law.

The Cooperative also complies with the following consumer best practices: (1) the Cooperative discloses its rates and terms of service to customers; (2) the Cooperative provides specific disclosures in its advertising; (3) the Cooperative separately identifies carrier charges from taxes on its billing statements; (4) the Cooperative provides ready access to customer service; (5) the Cooperative promptly responds to consumer inquiries and complaints received from government agencies; and (6) the Cooperative abides by policies for protection of consumer privacy.

Finally, the Cooperative has a policy and established operating procedures that comply with the FCC's Customer Proprietary Network Information (CPNI) rules (47 C.F.R. §§64.2001-64.2011). Certification of the Cooperative's compliance with CPNI rules and a description of the Cooperative's operating procedures that ensure compliance are filed annually with the FCC.

## **LINE 610 - ABILITY TO FUNCTION IN EMERGENCY SITUATIONS**

Panhandle Telephone Cooperative, Inc. (“the Cooperative”) is able to function in emergency situations for both voice and broadband service. The Cooperative has a reasonable amount of back-up power to ensure functionality without an external power source. Standby power generators are at the central offices, as well as strategic locations to be deployed as needed to ensure functionality without an external power source until power is restored. The network is capable of managing traffic spikes resulting from emergency situations.

The Cooperative is able to reroute traffic around damaged facilities. Although the Cooperative’s ability to reroute traffic around damaged facilities is not absolute and may be limited in certain circumstances, there is a restoration plan in place for expeditious recovery of service, including splicing of damaged facilities when warranted.

## **LINE 920 – TRIBAL GOVERNMENT ENGAGEMENT OBLIGATION**

The service area of Panhandle Telephone Cooperative, Inc. (“the Cooperative”) includes “former reservations” in Oklahoma. The Cooperative was unable to clearly identify the tribes associated with the former tribal land served and sent letters on September 25, 2014 “return receipt requested” to all of the tribes in Oklahoma as listed below. The letters were addressed to the contacts as provided by the National Congress of American Indian's Tribal directory. Each letter requested that the Tribal government representative contact the Cooperative to engage in discussions or acknowledge that they have no tribal interest in the Cooperative's service area and decline to engage in discussions. Following is the status of the attempted contacts.

Jicarilla Apache Nation - A signed receipt was received on October 20, 2014. By the end of 2014, the Cooperative had not been contacted by any representative of the Tribal government.

Comanche Nation – A signed receipt was received on September 30, 2014. By the end of 2014, the Cooperative had not been contacted by any representative of the Tribal government.

United Keetoowah Band of Cherokee Indians - A signed receipt was received on October 23, 2014. By the end of 2014, the Cooperative had not been contacted by any representative of the Tribal government.

Cheyenne and Arapaho Tribes - A signed receipt was received on November 10, 2014. By the end of 2014, the Cooperative had not been contacted by any representative of the Tribal government.

Kiowa Tribe of Oklahoma - A signed receipt was received on September 30, 2014. By the end of 2014, the Cooperative had not been contacted by any representative of the Tribal government.

## **LINE 1010 – VOICE SERVICES RATE COMPARABILITY**

The Wireline Competition Bureau's most recent reasonable comparability benchmark for voice services is \$47.48, which includes the federal subscriber line charge ("SLC").<sup>1</sup>

In all of the exchanges served by Panhandle Telephone Cooperative, Inc. ("the Cooperative"), the single-line residential local rate is \$17.50. When the federal SLC (\$6.50) and the Oklahoma universal service fee (\$.41) are included, the rate becomes \$24.41. Three of the Cooperative's exchanges extend into Texas, where the state universal service fee is \$.64, making the total rate \$24.64. Therefore, the Cooperative's pricing of fixed voice services is less than the reasonable comparability benchmark of \$47.48.

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<sup>1</sup> *Wireline Competition Bureau Announces Results of 2015 Urban Rate Survey for Fixed Voice and Broadband Services and Posting of Survey Data and Explanatory Notes*, Public Notice, WC Docket No. 10-90, DA 15-470 (rel. April 16, 2015).



## **LINE 1210 – TERMS & CONDITIONS OF VOICE TELEPHONY LIFELINE PLANS**

Residential customers of Panhandle Telephone Cooperative, Inc. (“the Cooperative”) residing in non-Tribal exchanges in Oklahoma who qualify for the Lifeline Program receive a discount of \$9.25 on local voice telephony service (\$9.25 federal discount + \$0 state discount<sup>1</sup>). Residential Lifeline customers residing in the Cooperative’s Tribal exchange in Oklahoma receive a discount of \$23.00 on local voice telephony service (\$9.25 federal discount + additional \$13.75 federal discount + \$0 state discount). Residential Lifeline customers residing in the Cooperative’s Texas exchanges receive a \$12.75 discount on local voice telephony service (\$9.25 federal discount + \$3.50 state discount).

In all of the Cooperative’s non-Tribal exchanges in Oklahoma, the Lifeline single-line residential rate, including the federal subscriber line charge (“SLC”), is \$14.75 (\$24.00 standard rate - \$9.25 discount). This rate applies to the following exchanges: Adams, Balko, Beaver, Boise City, Bryans Corner, Eva, Felt-Wheelless, Floris, Forgan, Gate, Goodwell, Griggs, Guymon, Hardesty, Hooker, Kenton, Keyes, Logan, Texhoma, Turpin, and Tyrone.

In the Cooperative’s Tribal exchange in Oklahoma – Laverne – the Lifeline single-line residential rate, including the federal SLC, is \$1.00 (\$24.00 standard rate - \$23.00 discount).

In the portion of the Cooperative’s exchanges that extend into Texas, the Lifeline single-line residential rate, including the federal SLC, is \$11.25 (\$24.00 standard rate - \$12.75 discount). This rate applies to the Texas portion of the following exchanges: Guymon, Hardesty, and Texhoma.

All single-line residential customers, including Lifeline customers, have an unlimited number of minutes for calls made within their local calling area.

Toll charges for calls outside of the local calling area are determined by the long distance carrier of the customer’s choosing. Customers may elect to subscribe to toll blocking at no charge.

The Cooperative does not disconnect the service of Lifeline subscribers for the non-payment of toll charges. However, the Cooperative reserves the right to implement toll blocking, at no charge, if the customer incurs a significant balance of unpaid toll bills.

Lifeline Program reductions do not apply to additional services such as information-related services and custom calling features. Lifeline customers may subscribe to these services, where available, at the same rates offered to other customers.

Additional information regarding the terms and conditions of voice telephony Lifeline plans can be found at <http://www.ptci.net/phone/residential/support-phone-residential/>.

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<sup>1</sup> The state Lifeline discount in Oklahoma was eliminated in November, 2014.

## **LINE 3010 – MILESTONE CERTIFICATION**

Panhandle Telephone Cooperative, Inc. (“the Cooperative”) hereby certifies that the Cooperative has taken reasonable steps to provide upon reasonable request broadband service at actual speeds of 4 Mbps downstream/1 Mbps upstream, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to reasonably comparable offerings in urban areas, and that requests for such service are met within a reasonable amount of time.

**LINE 3012 – COMMUNITY ANCHOR INSTITUTIONS**

Panhandle Telephone Cooperative, Inc. did not newly deploy broadband service to any community anchor institutions in the preceding calendar year (2014).

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0031. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

<p>USDA-RUS</p>  <p><b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b></p>	<p><i>This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.</i></p> <p>BORROWER NAME</p> <p style="margin-left: 40px;">Panhandle Telephone Cooperative, Inc.</p>	
<p><i>INSTRUCTIONS-Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.</i></p>	<p>PERIOD ENDING</p> <p>December, 2014</p>	<p>BORROWER DESIGNATION</p> <p>OK0530</p>
<p style="text-align: center;"><b>CERTIFICATION</b></p> <p><i>We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.</i></p> <p><b>ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.</b></p> <p style="text-align: center;"><b>DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII</b> (Check one of the following)</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p><input checked="" type="checkbox"/> All of the obligations under the RUS loan documents have been fulfilled in all material respects.</p> </div> <div style="width: 45%;"> <p><input type="checkbox"/> There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report</p> </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 30%;"> <p style="text-align: center;">Shawn Hanson</p> </div> <div style="width: 30%;"> <p style="text-align: center;">2/25/2015</p> </div> <div style="width: 30%; text-align: center;"> <p>DATE</p> </div> </div>		

PART A. BALANCE SHEET					
ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
1. Cash and Equivalents			25. Accounts Payable		
2. Cash-RUS Construction Fund			26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable			28. Customer Deposits		
b. Other Accounts Receivable			29. Current Mat. L/T Debt		
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable			32. Income Taxes Accrued		
b. Other Accounts Receivable			33. Other Taxes Accrued		
c. Notes Receivable			34. Other Current Liabilities		
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)		
6. Material-Regulated			<b>LONG-TERM DEBT</b>		
7. Material-Nonregulated			36. Funded Debt-RUS Notes		
8. Prepayments			37. Funded Debt-RTB Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 Thru 9)			39. Funded Debt-Other		
<b>NONCURRENT ASSETS</b>			40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Reacquired Debt		
b. Nonrural Development			43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development			46. Total Long-Term Debt (36 thru 45)		
13. Nonregulated Investments			<b>OTHER LIAB. &amp; DEF. CREDITS</b>		
14. Other Noncurrent Assets			47. Other Long-Term Liabilities		
15. Deferred Charges			48. Other Deferred Credits		
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)			50. Total Other Liabilities and Deferred Credits (47 thru 49)		
<b>PLANT, PROPERTY, AND EQUIPMENT</b>			<b>EQUITY</b>		
18. Telecom, Plant-in-Service			51. Cap. Stock Outstand. & Subscribed		
19. Property Held for Future Use			52. Additional Paid-in-Capital		
20. Plant Under Construction			53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation			55. Other Capital		
23. Net Plant (18 thru 21 less 22)			56. Patronage Capital Credits		
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins		
			58. Total Equity (51 thru 57)		
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)		

Total Equity = 92.63% % of Total Assets

USDA-RUS

**OPERATING REPORT FOR  
TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

OK0530

PERIOD ENDING

December, 2014

INSTRUCTIONS- See RUS Bulletin 1744-2

**PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS**

ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues		
2. Network Access Services Revenues		
3. Long Distance Network Services Revenues		
4. Carrier Billing and Collection Revenues		
5. Miscellaneous Revenues		
6. Uncollectible Revenues		
<b>7. Net Operating Revenues (1 thru 5 less 6)</b>		
8. Plant Specific Operations Expense		
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)		
10. Depreciation Expense		
11. Amortization Expense		
12. Customer Operations Expense		
13. Corporate Operations Expense		
<b>14. Total Operating Expenses (8 thru 13)</b>		
15. Operating Income or Margins (7 less 14)		
16. Other Operating Income and Expenses		
17. State and Local Taxes		
18. Federal Income Taxes		
19. Other Taxes		
<b>20. Total Operating Taxes (17+18+19)</b>		
21. Net Operating Income or Margins (15+16-20)		
22. Interest on Funded Debt		
23. Interest Expense - Capital Leases		
24. Other Interest Expense		
25. Allowance for Funds Used During Construction		
<b>26. Total Fixed Charges (22+23+24-25)</b>		
27. Nonoperating Net Income		
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income		
<b>31. Total Net Income or Margins (21+27+28+29+30-26)</b>		
32. Total Taxes Based on Income		
33. Retained Earnings or Margins Beginning-of-Year		
34. Miscellaneous Credits Year-to-Date		
35. Dividends Declared (Common)		
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date		
38. Transfers to Patronage Capital		
<b>39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]</b>		
40. Patronage Capital Beginning-of-Year		
41. Transfers to Patronage Capital		
42. Patronage Capital Credits Retired		
<b>43. Patronage Capital End-of-Year (40+41-42)</b>		
44. Annual Debt Service Payments		
45. Cash Ratio [(14+20-10-11) / 7]		
46. Operating Accrual Ratio [(14+20+26) / 7]		
47. TIER [(31+26) / 26]		
48. DSCR [(31+26+10+11) / 44]		

<div>USDA-RUS</div> <div>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</div> <div>INSTRUCTIONS - See RUS Bulletin 1744-2</div>						<div>BORROWER DESIGNATION</div> <div>OK0530</div> <div>PERIOD ENDED</div> <div>December, 2014</div>	
Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION							
	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
EXCHANGE	B-1	R-1	BUSINESS	RESIDENTIAL	TOTAL	TOTAL (including fiber)	FIBER
	(a)	(b)	(a)	(b)	(c)	(a)	(b)
Adams, OK							
Balko, OK							
Beaver, OK							
Boise City, OK							
Bryan's Corner, OK							
Eva, OK							
Felt, OK							
Floris, OK							
Forgan, OK							
Gate, OK							
Goodwell, OK							
Griggs, OK							
Guymon, OK							
Hardesty, OK							
Hooker, OK							
Kenton, OK							
Keyes, OK							
Laverne, OK							
Logan, OK							
Texhoma, OK							
Turpin, OK							
Tyrone, OK							
MobileWireless							
Route Mileage Outside Exchange Area							
Total							
No. Exchanges							

<p align="center">USDA-RUS</p> <p align="center"><b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b></p> <p align="center">INSTRUCTIONS - See RUS Bulletin 1744-2</p>							<p>BORROWER DESIGNATION</p> <p>OK0530</p> <p>PERIOD ENDED</p> <p>December, 2014</p>	
<p align="center"><b>Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, &amp; HIGH SPEED DATA INFORMATION</b></p>								
<p align="center"><b>4. BROADBAND SERVICE</b></p>								
<p align="center"><b>Details on Least Expensive Broadband Service</b></p>								
EXCHANGE	No. Access Lines with BB available (a)	No Of Broadband Subscribers (b)	Number Of Subscribers (c)	Advertised Download Rate (Kbps) (d)	Advertised Upload Rate (Kbps) (e)	Price Per Month (f)	Standalone/Pckg (f)	Type Of Technology (g)
Adams, OK							StandAlone	DSL
Balko, OK							StandAlone	DSL
Beaver, OK							StandAlone	DSL
Boise City, OK							StandAlone	DSL
Bryan's Corner, OK							StandAlone	DSL
Eva, OK							StandAlone	DSL
Felt, OK							StandAlone	DSL
Floris, OK							StandAlone	DSL
Forgan, OK							StandAlone	DSL
Gate, OK							StandAlone	DSL
Goodwell, OK							StandAlone	DSL
Griggs, OK							StandAlone	DSL
Guymon, OK							StandAlone	DSL
Hardesty, OK							StandAlone	DSL
Hooker, OK							StandAlone	DSL
Kenton, OK							StandAlone	DSL
Keyes, OK							StandAlone	DSL
Laverne, OK							StandAlone	DSL
Logan, OK							StandAlone	DSL
Texhoma, OK							StandAlone	DSL
Turpin, OK	StandAlone	DSL						
Tyrone, OK	StandAlone	DSL						
Total								

USDA-RUS

**OPERATING REPORT FOR  
TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

OK0530

PERIOD ENDING

December, 2014

INSTRUCTIONS- See RUS Bulletin 1744-2

**PART D. SYSTEM DATA**

1. No. Plant Employees	2. No. Other Employees	3. Square Miles Served	4. Access Lines per Square Mile	5. Subscribers per Route Mile
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**PART E. TOLL DATA**

1. Study Area ID Code(s)	2. Types of Toll Settlements (Check one)
a. 432016	Interstate: <input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis
b. _____	
c. _____	Intrastate: <input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis
d. _____	
e. _____	
f. _____	
g. _____	
h. _____	
i. _____	
j. _____	

**PART F. FUNDS INVESTED IN PLANT DURING YEAR**

1. RUS, RTB, & FFB Loan Funds Expended	
2. Other Long-Term Loan Funds Expended	
3. Funds Expended Under RUS Interim Approval	
4. Other Short-Term Loan Funds Expended	
5. General Funds Expended (Other than Interim)	
6. Salvaged Materials	
7. Contribution in Aid to Construction	
8. Gross Additions to Telecom. Plant (1 thru 7)	

**PART G. INVESTMENTS IN AFFILIATED COMPANIES**

INVESTMENTS	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year	Income/Loss This Year	Cumulative Investment To Date	Cumulative Income/Loss To Date	Current Balance
(a)	(b)	(c)	(d)	(e)	(f)
1. Investment in Affiliated Companies - Rural Development					
2. Investment in Affiliated Companies - Nonrural Development					



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**PART H. CURRENT DEPRECIATION RATES**

Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one)

☒

YES

☐

NO

EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Land and support assets - Motor Vehicles	
2. Land and support assets - Aircraft	
3. Land and support assets - Special purpose vehicles	
4. Land and support assets - Garage and other work equipment	
5. Land and support assets - Buildings	
6. Land and support assets - Furniture and Office equipment	
7. Land and support assets - General purpose computers	
8. Central Office Switching - Digital	
9. Central Office Switching - Analog & Electro-mechanical	
10. Central Office Switching - Operator Systems	
11. Central Office Transmission - Radio Systems	
12. Central Office Transmission - Circuit equipment	
13. Information origination/termination - Station apparatus	
14. Information origination/termination - Customer premises wiring	
15. Information origination/termination - Large private branch exchanges	
16. Information origination/termination - Public telephone terminal equipment	
17. Information origination/termination - Other terminal equipment	
18. Cable and wire facilities - Poles	
19. Cable and wire facilities - Aerial cable - Metal	
20. Cable and wire facilities - Aerial cable - Fiber	
21. Cable and wire facilities - Underground cable - Metal	
22. Cable and wire facilities - Underground cable - Fiber	
23. Cable and wire facilities - Buried cable - Metal	
24. Cable and wire facilities - Buried cable - Fiber	
25. Cable and wire facilities - Conduit systems	
26. Cable and wire facilities - Other	

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<b>PART I – STATEMENT OF CASH FLOWS</b>			
<b>1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>2. Net Income</b>			
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>			
3. Add: Depreciation			
4. Add: Amortization			
5. Other (Explain)			
<i>Changes in Operating Assets and Liabilities</i>			
6. Decrease/(Increase) in Accounts Receivable			
7. Decrease/(Increase) in Materials and Inventory			
8. Decrease/(Increase) in Prepayments and Deferred Charges			
9. Decrease/(Increase) in Other Current Assets			
10. Increase/(Decrease) in Accounts Payable			
11. Increase/(Decrease) in Advance Billings & Payments			
12. Increase/(Decrease) in Other Current Liabilities			
<b>13. Net Cash Provided/(Used) by Operations</b>			
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
14. Decrease/(Increase) in Notes Receivable			
15. Increase/(Decrease) in Notes Payable			
16. Increase/(Decrease) in Customer Deposits			
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)			
18. Increase/(Decrease) in Other Liabilities & Deferred Credits			
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital			
20. Less: Payment of Dividends			
21. Less: Patronage Capital Credits Retired			
22. Other (Explain) Interest rec (9216.00) Prior period patronage adj 126,973.40			
<b>23. Net Cash Provided/(Used) by Financing Activities</b>			
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
24. Net Capital Expenditures (Property, Plant & Equipment)			
25. Other Long-Term Investments			
26. Other Noncurrent Assets & Jurisdictional Differences			
27. Other (Explain) adj depreciation reserves due to retirements			
<b>28. Net Cash Provided/(Used) by Investing Activities</b>			
<b>29. Net Increase/(Decrease) in Cash</b>			
<b>30. Ending Cash</b>			

Revision Date 2010

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<p>Part C - 4. Broadband Services - Panhandle Telephone does not directly provide broadband service to its subscribers. It sells as a wholesaler to its wholly owned subsidiary at the NECA tariffed rates, then the subsidiary sells the broadband services in the various exchanges. The information provided in this report reflects the subscribers ultimately reached and served through our subsidiary operation.</p> <p>Part A - Line 39 - Balance of Cushion of Credit Funds. In 2008, the cushion of credit account was funded with [REDACTED] In 2011, an additional [REDACTED] was deposited in the cushion of credit account. In 2013, an additional [REDACTED] was deposited in the cushion of credit account. RDUP loan payments will be made from this account for the next few years.</p>	

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<div>INSTRUCTIONS - See RUS Bulletin 1744-2</div>	<div>PERIOD ENDED</div> <div>December, 2014</div>
<div>CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</div>	